



**North Carolina Department of Health and Human Services  
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Michael F. Easley, Governor  
Carmen Hooker Odom, Secretary

Michael Moseley, Director

April 13, 2006

To: LME Directors

From : Mike Moseley 

Re: LME Recommendations for Private Not-For-Profit Organizations to Receive MHTF Dollars  
for Community Capacity and Transition Costs

LMEs are invited to submit one or more recommendation(s) of private not-for-profit providers to receive one-time non-UCR Mental Health Trust Fund (MHTF) dollars that have been reserved by the Division to assist providers to (a) build additional community capacity as services are divested by the LMEs and (b) maintain financial stability during this growth period. Approximately \$1.5m to \$2m in MHTF resources have been designated for this initiative on a statewide basis. Approved funding will be allocated to LMEs, who will in turn contract with the qualifying provider organizations based on both need and provider viability. All funds requested by LMEs for this purpose must be awarded to qualifying providers to support strategies to assist these organizations in being reimbursed for identifiable staff, equipment, and/or program costs that are directly related to MH/DD/SAS System Transition and Transformation to serve identified State Plan target populations. Funding criteria will consider (a) need for the services locally, (b) impact of the services on admissions to State facilities, and (c) operational viability of the provider. These costs may include one-time provider funding needs to (a) implement new and revised service definitions, and (b) assist providers in transitioning to private provider operations as a result of divestiture. Such transitional costs may include costs described on the attached document. Funds cannot be used for costs reimbursed by other funding sources. Recommendations for funding may be planned over one or two fiscal years. All LME recommendations for MHTF funding to qualifying provider organizations are required to be based on a fair and open assessment of need, and a recommendation process considering all qualifying providers. The Division will review all LME submissions and, within available resources, approve funding based on identifiable needs.

LMEs wishing to apply for funding should complete and submit the attached **LME Recommendation Summary for Mental Health Trust Fund (MHTF) Awards to Private Not-for-Profit Provider Organization(s)**. If an LME submits more than one provider for recommended funding, providers must be listed on the form in priority order, with 1 being the highest priority. LMEs are requested to complete and submit the LME Recommendation Summary by e-mail to Wanda Mitchell in the Division's Budget and Finance Office at [Wanda.Mitchell@ncmail.net](mailto:Wanda.Mitchell@ncmail.net) no later than **5:00 pm on Friday, May 12, 2006**. LME recommendations for funding are required to be approved by the Division prior to the actual allocation of funds to LMEs and the award of MHTF dollars to qualifying provider organizations.

Enclosure

Cc: Secretary Carmen Hooker Odom  
Allen Dobson, M.D.  
Kory Goldsmith  
DMH/DD/SAS Executive Leadership Team and Management Leadership Team  
State Facility Directors  
Carol Duncan Clayton  
Patrice Roesler  
MH Commission Chair  
Coalition 2001 Chair  
State CFAC Chair



**LME Recommendation Summary for Mental Health Trust Fund (MHTF) Award(s) to  
Private Not-for-Profit Provider Organization(s) for Identifiable One-Time  
Non-Reimbursed Costs Related to MH/DD/SAS Service System Transition and Transformation**

Name of LME	Name/Title of LME Staff Submitting Plan	Date Submitted
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LMEs are invited to submit one or more recommendation(s) for private not-for-profit providers to receive one-time non-UCR Mental Health Trust Fund (MHTF) dollars that have been reserved by the Division to assist providers to (a) build additional community capacity as services are divested by the LMEs and (b) maintain financial stability during this growth period. Approximately \$1.5m to \$2m in MHTF resources have been designated for this initiative on a statewide basis. Approved funding will be allocated to LMEs, who will in turn contract with the qualifying provider organizations based on both need and provider viability.

All funds requested by LMEs for this purpose must be awarded to qualifying providers to support strategies to assist these organizations in being reimbursed for identifiable staff, equipment, and/or program costs that are directly related to MH/DD/SAS System Transition and Transformation to serve identified State Plan target populations. Funding criteria will consider (a) need for the services locally, (b) impact of the services on admissions to State facilities, and (c) operational viability of the provider. These costs may include one-time provider funding needs to (a) implement new and revised service definitions, and (b) assist providers in transitioning to private provider operations as a result of divestiture. Such transitional costs may include one-time equipment needs, minor facility modifications, start-up costs, staff training, supplementing staff costs until productivity increases, upgrade/acquisition of information systems for service documentation and billing, technical assistance for business planning; and partial buy-out of fringe benefits, such as retirement plans, for LME staff moving to private not-for-profit service organizations which contract with the LME. Funds cannot be used for costs reimbursed by other funding sources.

All prospective funding for providers will require an evaluation by the LME and a recommendation in terms of provider type and level of services provided, number and type of consumers served, and ongoing viability of the provider. LMEs should report the amount of funds that the provider needs in SFY 06 and/or SFY 07. Recommendations for funding may be planned over one or two fiscal years. All LME recommendations for MHTF funding to qualifying provider organizations are required to be based on a fair and open assessment of need, and a recommendation process considering all qualifying providers. The Division will review all LME submissions and, within available resources, approve funding based on identifiable needs.

The LME is required to complete and submit the **LME Recommendation Summary for Mental Health Trust Fund (MHTF) Awards to Private Not-for-Profit Provider Organization(s)** on the form below. If an LME submits more than one provider for recommended funding, providers must be listed on the form in priority order, with 1 being the highest priority.

**NOTE:** LMEs are to complete and submit the LME Recommendation Summary by e-mail to Wanda Mitchell in the Division's Budget and Finance Office at [Wanda.Mitchell@ncmail.net](mailto:Wanda.Mitchell@ncmail.net) no later than **5:00 pm on Friday, May 12, 2006**. LME recommendations for funding are required to be approved by the Division prior to the actual allocation of funds to LMEs and the award of MHTF dollars to qualifying provider organizations.

<b>I. Description of the LME's Process for Review of Provider Needs and Funding Recommendations</b>
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**LME Recommendation Summary for Mental Health Trust Fund (MHTF) Award(s) to  
Private Not-for-Profit Provider Organization(s) for Identifiable One-Time  
Non-Reimbursed Costs Related to MH/DD/SAS Service System Transition and Transformation**

<b>II. Identification of Recommended Qualifying Provider(s), Cost(s), and Award Amount(s)</b>					
<b>LME Pri- ority No.</b>	<b>List in <i>PRIORITY ORDER</i> the Name and Address of Each Qualifying Private Not-for- Profit Provider Organization Recommended by the LME to Receive MHTF Funding for System Transition and Transformation</b>	<b>Brief Description of Identifiable Provider Costs to be Reimbursed through MHTF and No. and Type of State Plan Target Population Consumers to be Impacted *</b> <small>* Provide additional detail on attachment as needed.</small>	<b>\$ Amount Recom- mended For SFY06</b>	<b>\$ Amount Recom- mended For SFY07</b>	<b>Combined \$ Amount Recom- mended For Both Fiscal Years</b>
<b>1</b>					
<b>2</b>					
<b>3</b>					
	<b>TOTALS</b>				